

Comparative Print: Bill to Bill Differences

Comparing the base document 119hr7892rh with RCP_H7892_H7891_xml (005).

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Text of H.R. 7892, the No Aid for Ghost Students Act of 2026 Offered by M. _____ [Showing the text of H.R. 7891 and H.R. 7892, as reported by the Committee on Education and Workforce, with modifications]

A BILL

To amend the Higher Education Act of 1965 to require to the Secretary of Education to use an identity fraud detection system to review each FAFSA to determine whether the FAFSA presents a reasonable suspicion of identity fraud.

SECTION 1. SHORT TITLE.

This Act may be cited as the “No Aid for Ghost Students Act of 2026”.

SEC. 2. IDENTITY FRAUD DETECTION SYSTEM.

(a) IDENTITY FRAUD DETECTION SYSTEM.—Section 483 of the Higher Education Act of 1965 (20 U.S.C. 1090) is amended by adding at the end the following:

“(e) IDENTITY FRAUD DETECTION SYSTEM.—

“(1) IN GENERAL.—In addition to, or in conjunction with, other verification processes carried out under this title, the Secretary shall—

“(A) use an identity fraud detection system to ~~review~~*screen and assess* each application submitted under this section on or after October 1, 2026, to determine whether the application presents a reasonable suspicion of identity ~~fraud. If the Secretary determines that such an application presents a reasonable suspicion of identity fraud, the Secretary shall~~*fraud based on one or more indicators associated with suspected fraud risk; and*

“(B) carry out notifications in accordance with paragraph (2).

“(2) NOTIFICATION OF REASONABLE SUSPICION OF IDENTITY FRAUD.—If the Secretary determines that an application submitted under this section presents a reasonable suspicion of identity fraud, the Secretary shall—

“(A) provide the applicant with notice—

“(i) of such ~~determination and the basis for such~~ determination;

“(ii) that the information described in subparagraph (B) will be transmitted to each institution of higher education designated by the applicant in the application; and

“(iii) that the applicant is subject to additional identity verification requirements in accordance with section 487(a)(15)(B); and

“(B) transmit to each institution designated by the applicant in the application, a notice—

“(i) that such application presents a reasonable suspicion of identity fraud; and

“(ii) that the applicant is subject to additional identity verification requirements to be carried out by the institution in accordance with section 487(a)(15)(B), before the institution may disburse Federal financial aid under this title to such applicant.

“(3) CONGRESSIONAL NOTICES AND REPORT.—

“(A) NOTICES.—The Secretary shall submit to the authorizing committees—

“(i) not later than November 1, 2026, a written description of the identity fraud detection system required under this subsection; and

“(ii) not later than 30 days after implementing any substantial change to such system, a written description and rationale for such change.

“(B) ANNUAL EVALUATION AND REPORT.—Not later than October 1, 2027, and annually thereafter, the Secretary shall conduct an evaluation of the effectiveness of the identity fraud detection system carried out under this subsection, and submit to the authorizing committees a report on the use and effectiveness of such system.

“(4) Rule of construction.—Nothing in this subsection shall be construed to prohibit the Secretary from meeting the requirements of paragraph (1), in whole or in part, through a capability or system used by the Secretary on or before the date of enactment of the No Aid for Ghost Students Act of 2026.”

(b) ADDITIONAL VERIFICATION REQUIREMENTS.—

(1) AMENDMENTS.—Section 487(a)(15) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)(15)) is amended—

(A) by striking “(15) The institution acknowledges” and inserting “(15)(A) The institution acknowledges”; and

(B) by adding at the end the following new subparagraph:

“(B) Beginning on October 1, 2026, the institution will not disburse Federal financial aid under this title to an applicant ~~whose~~with an application under section 483 ~~that~~ presents a reasonable suspicion of identity fraud under section 483(e), unless the institution, directly or through a contracted third-party service provider and in accordance with procedures established by the Secretary—

“(i) before the disbursement of such aid—

“(I) determines that a reasonable suspicion of identity fraud is not present by confirming the identity of such applicant using—

“(aa) in-person ~~identity verification or~~ verification;

“(bb) live, synchronous audiovisual ~~identity~~ verification;

“(cc) identity verification compliant with National Institute of Standards and Technology Identity Assurance Level 2 (NIST IAL2), or an equivalent successor;

“(dd) any additional identity verification method approved by the Secretary that provides a level of identity assurance that is equal to or greater than the level of assurance provided by an identity verification method described in items (aa) through (cc); or

“(ee) a combination of two or more of the verification methods described in items (aa) through (dd); and

“(II) notifies the Secretary that the identity of the applicant has been verified; and

“(iii) maintains a record of such identity verification.”

(2) GUIDELINES ON INSTITUTIONAL VERIFICATION PROCEDURES.—Not later than October 1, 2026, the Secretary of Education shall establish guidelines with respect to identity verification procedures to be carried out by institutions of higher education under subparagraph (B) of section 487(a)(15) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)(15)), as amended by paragraph (1).

SEC. 3. PROGRAM REVIEW PRIORITY CATEGORY.

Section 498A(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1099c-1(a)(2)) is amended—

(1) in subparagraph (E), by striking “and” at the end;

(2) by redesignating subparagraph (F) as subparagraph (G); and

(3) by inserting after subparagraph (E) the following:

“(F) institutions that have demonstrated a pattern of disbursing, on or after October 1, 2026, Federal financial aid under this title for an award year to students with an application under section 483 for such award year that presented a reasonable suspicion of identity fraud under section 483(e), except that the Secretary shall exclude any institution that demonstrates to the Secretary that the institution is in compliance with the requirements of section 487(a)(15)(B); and”

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